

# Bookshelf

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## Board Development

*By Susan Moisey, Rory Ralston and Bruce Murphy*

*Published by Alberta Educational Communications Corporation (c) 1988.*

## Development and Direction for Board of Directors

*By John Tropman, Canadian version by Norah McClintock*

*Published by The Canadian Centre for Philanthropy, 1991.*

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The factors that make a success of a charitable organization are many: a good cause, a timely appeal to the public, expert fund raising, smart management, dedicated staff, energetic volunteers, luck—and a board of directors capable of high quality leadership. Very few of these factors make themselves felt without effort, and that effort can be learned, developed and focused. In fact, just feeling good about one's good cause is not satisfactory any more, if it ever was. Everyone involved in a charity has a duty to the cause and to the public to be as competent as possible at the tasks undertaken.

These publications offer two different approaches to developing competence at the top, in the board of directors. Both are challenging and useful. *Development and Direction* is a more traditional work, expounding general principles and elaborating rules of conduct from them. *Board Development* works from a series of video clips—12 episodes lasting about four and a half hours. The authors have invented a charitable organization, Volunteer Action Serving Hamford (VASH), and put its directors through various crises to teach them and us some lessons. Between episodes a commentator brings out the principles being illustrated and refers to printed materials that accompany the tapes. They in turn deal with the issues raised in the videos, though often from a much broader perspective. The materials include a "Learner's Manual" and a "Leader's Guide".

Both Tropman and the VASH series are aimed at the practical reader, the board member or potential board member who wants to know more about what he or

she is supposed to be doing. Both contain guidelines for the better operation of boards of directors. (Tropman insists on the term “director” to underline the responsibility for leadership that the position carries.) Both works end their chapters with review checklists through which readers can measure their own organizations against the standards proposed by the book. *Board Development* also contains a large number of sample documents that can be adapted for the users’ charities: by-laws, job descriptions, and policy statements at various levels of generality.

Tropman’s main focus is on the board as a decision-making body. He describes means to improve the quality of the decisions, starting with the need to make rather than postpone them: neither delay nor rubber stamp makes for a good board. This perspective produces a couple of general rules. First, the label attached to the board does not matter. An “advisory board” or a “policy board” may detract attention from the fact that the board has the legal responsibility for the policies and direction of the organization. The labels usually just point to different functions that the same board will have to fulfil from time to time.

His second general rule is that the only criteria for appointing directors are interest, competence and willingness to participate. He does not favour appointing directors because they have prestige, or because they represent some part of the community being served. If community views are needed, they should be solicited through surveys or possibly through some “second tier” community body. The working board must work and be good at it, and no amount of representation alone can compensate for the lack of the three qualities needed. This does not mean that those qualities cannot be found in all parts of the community. The VASH board has a checklist of characteristics of its directors that is quite a sophisticated method of ensuring a spectrum of experience. Tropman would not disagree with producing such a checklist, but he would emphasize that political correctness does not itself lead to better-quality decisions.

According to Tropman, “boards cannot simply ‘meet’. They must develop a structure for attending to the various aspects of the business at hand”. To help them do this, his book offers a long chapter, a quarter of the entire text, on the theory and practice of meetings. He describes why meetings go wrong, citing management consultants’ view that most meetings waste about half the time they take. Tropman proposes a list of rules to remedy these problems, and sets out a model agenda to profit from the probable physical and psychological ability of directors to concentrate on the work at hand. He recommends grouping like items together—announcements, decision items, discussion items—and placing the hardest decisions in the middle of the meeting.

The chapter goes on to discuss rules for conduct at the meeting and the roles that each director must play. Tropman does not say that filling these roles will

be easy; he does say that they can be learned, and learning them will make for a more satisfying and productive meeting. The following chapter expands on the roles of all of the directors, with a lot of attention to that of the Chair. The Chair is often the main liaison with the paid staff. A good relationship with the chief executive can make a charity work even if other elements are weak. (He deals in a separate section with how to hire the executive.) Tropman emphasizes that the Chair is not there simply to impose his or her will. The diplomatic role is essential to bring out the contribution of all the directors and to develop the people and the ideas. Leadership is not a matter of imposing pet projects from the top down.

The other big theme of Tropman's book is accountability. He writes at length about the "decision audit" and the "decision autopsy". Both good and bad decisions have to be examined after their consequences are known, to see what one did right or wrong. Such a process must distinguish between the decision and its implementation; the fact that someone salvaged a good result despite a bad decision should give no director comfort about the role of the board. Likewise, if a good idea is brought to a bad end, the remedy has to be sought elsewhere than in the conception.

The review extends not only to decisions but to people. Directors themselves must have their performances reviewed annually, to ensure the best quality of decision (and to ensure that paid staff who are subject to such appraisals feel that their "bosses" are treated the same way.) However, one cannot appraise results without standards, and those standards are to be set at the beginning. The director's job must be defined ahead of time, so he or she can know what is expected.

In this, Tropman is very much part of the world of *Board Development*. The Manual is more programmatic than Tropman, more inclined to high-level sociological generalization and also to almost bureaucratic detail in its practical recommendations. Its themes are valid, and the works have much in common despite their differing approaches. However, the video format relieves some of the stiffness of the text, because one can watch real people (the acting is quite good) face up to the problems they have and resolve them (in ways consistent with the theory in the Manual, of course.)

VASH suffers visibly—for the purpose of instruction, probably more visibly than most real boards—from lack of focus. At the beginning of the series of videos, it has undergone a shift from the evangelical commitment of its founder to more pragmatic directors facing the gaps that the founder did not care to, or need to, fill. This gives the authors the chance to expound on the uses of a mission statement, operating principles, policy-making policies, and on down an elaborate pyramid of documentation setting out every conceivable aspect of VASH's work. The operational policies usually contain a date for their own

review, a useful provision that echoes Tropman's insistence on decision audits. Sample documentation is provided in the Manual. It can be rather intimidating in its detail, though the text says that any reader's organization may not need such complex material.

VASH too is offered job descriptions and job evaluations, and the models of the Manual may help Tropman's reader actually put one on paper. VASH goes one step further: it shows a committee actually reviewing the performance of, and firing, a director! The video series has been cleverly designed to produce variety; a tape of 12 instructive board meetings might daunt the most eager student. We see a couple of meetings, but also a retreat, a session defining the role of staff, a cocktail party—there is even a scene in a funeral parlour. While some of the directors verge on caricature, the lessons they illustrate are that much clearer, and the watching is never painful (the segments are pretty short).

The straight instructional material is useful. Questions invite the reader, for example, to choose the level at which particular decisions should be made. This, along with other exercises, makes the reader think critically about VASH, his or her own organization, and even about the text itself. The notes sometimes enable the reader to criticize the model documents proposed earlier in the text. Probably the best use of the documents is as checklists from which to draw what is needed. They are appropriately enough written for the person for whom nothing goes without saying. In an educational work for directors at all levels of experience, that is not a bad thing. The general principle for developing all of these guides is a good one: "talk it out, then write it out". The authors do not claim that a single model will suit all charities. Each will have to invent the right structure for its particular purpose.

Neither Tropman nor the authors of *Board Development* say where charities are to find the directors who can meet all these demands. (VASH's documents do have a section on recruiting—and disciplining.) No doubt it is better to discourage lazy volunteers at the outset than to have to go back to the video on firing them. The mission of VASH is to provide volunteers for the other charities in Hamford. This allows the authors to expand on finding and training volunteers other than directors, and fill in some of the gaps in the discussion of directors as volunteers.

*Board Development* occasionally makes doubtful legal statements, such as: the board is the legal entity of the charity. While the board is legally responsible for managing the affairs of an incorporated charity, the legal entity is the corporation, which is made up of its members. In some charities the board and the membership are the same, but in many the board must be elected by the members. Failing to determine at the outset who the members are and how they function can lead to some ugly battles for control of the charity that all the lessons of these books won't alleviate. Even the VASH board experiences some

unexpected member democracy at its general meeting. The text says that the by-laws “come from the general membership”, though usually they are prepared and passed first by the directors. In Ontario they can even take effect until the members overrule them. The infrequent misstatements are, however, not likely to mislead the director who uses the Manual carefully.

Which of these two works to choose? I can recommend either or both. *Board Development* takes longer to go through (because of the video) and costs more. Using the Manual without the video would take some of the life out of the lessons and make them heavier. However, it offers lots of helpful draft documents and exercises. Both are quite clearly written, though they both demand some attention. *Development and Direction* may be more suited to individual study, while the other lends itself to group analysis (and the Leader’s Guide would promote this further). However, they both reward their readers with wisdom and practical advice that is bound to be used sooner rather than later in a director’s career. It is encouraging that works of this quality are being made available on this one critical factor in any charity’s success.

The books are available through:

**Board Development**

ACCESS NETWORK, Calgary, The Knowledge Network Bookstore, Richmond, B.C., and TVO Home Studies, Toronto, \$51.00.

**Development and Direction for Board of Directors**

The Canadian Centre for Philanthropy. \$29.91 for Associates of the Centre, \$43.34 for Non-Associates, GST and shipping included.